GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:2370
ANSWERED ON:07.08.2000
COST REDUCTION MEASURES IN INDIAN AIRLINES
UMMAREDDY VENKATESWARLU

Will the Minister of CIVIL AVIATION be pleased to state:

(a) the details of efforts made by the Indian Airlines to reduce fares by introducing cost reductin measures;

(b) whether any VRS scheme has been offered to surplus employees;

(c) if so, the details thereof;

(d) the areas where there are surplus staff;

(e) whether any study has been made to reduce costs and improve profitability in Indian Airlines; and

(f) if so, the details thereof?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV)

(a): Indian Airlines have taken following measures to cut down its costs:-

Control of overtime, casual labour, hotel/travel expenditure Freeze on recruitment unless absolutely necessary for operational reasons

Roll back of retirement age
Fuel Monitoring and tankering
Control on material consumption
Reduction in publicity and sales promotional expenditure
Review of uneconomic flights
Inventory management
Strict control over crew lay over expenditure
Outsourcing of services to the extent feasible

(b): No, Sir.

(c): Does not arise.

(d): No category of employees has been identified as surplus in Indian Airlines.

(e) and (f): In the recent past Indian Airlines has taken the following measures to improve its productivity and financial performance:-

Better Fleet Utilisation
Improvement in the quality of product
Marketing initiatives
Cost Control Measures